

193A—11.4(542C) Competence and technical standards.

11.4(1) *Competence.* A CPA or AP shall not undertake any engagement for the performance of professional services which the accountant or accountant's firm cannot reasonably expect to complete with due professional competence, including compliance, where applicable, with subrules 11.4(2) and 11.4(3).

11.4(2) *Auditing standards.* CPAs shall not permit their names to be associated with financial statements in such a manner as to imply that they are acting as an independent public accountant unless they have complied with the applicable generally accepted auditing standards. The board will consider the American Institute of Certified Public Accountants Professional Standards, including the Statements on Standards for Accounting and Review Services (SSARS), as sources of interpretations of generally accepted auditing standards.

11.4(3) *Accounting principles.* A CPA shall not express an opinion that financial statements are presented in conformity with generally accepted accounting principles if such financial statements contain any departure from such accounting principles which has a material effect on the financial statements taken as a whole, unless the CPA can demonstrate that by reason of unusual circumstances the financial statements would otherwise have been misleading. In such cases the accountant's report must describe the departure, the approximate effects thereof, if practicable, and the reasons why compliance with the principle(s) would result in a misleading statement. The board will consider the pronouncements issued by the Financial Accounting Standards Board and its predecessor entities as sources of interpretations of generally accepted accounting principles.

11.4(4) *Forecasts.* A CPA or AP shall not in the performance of professional services permit the CPA's or AP's name to be used in conjunction with any forecast of future transactions in a manner which may lead to the belief that the accountant vouches for the achievability of the forecast.